

## Mortgage Rates Fall After Downbeat Employment Data

Mortgage rates are driven by bonds and that bonds care about employment data. There are quite a few different economic reports that focus on various employment metrics. Next Wednesday's jobs report is the biggest ticket by far, but other reports can move the needle at times--especially when they fall far from forecasts or previous readings.

This was the case with three separate reports today. One of them almost never gets covered in the news, but it showed planned layoffs at large firms were the third highest since 2020. The second was the weekly jobless claims report, which finally ticked up to slightly higher levels after coming in lower than average over the past few weeks.

Garnering the biggest reaction was the Job Openings data for December, which showed the lowest levels since September 2020--much lower than forecast for today.

The bond market was surprisingly willing to respond. There was even a noticeable shift in Fed rate cut expectations (not that this should be confused for anything that impacts mortgage rates!). The average lender moved back to the lowest levels of the week after spending the last 2 days at 2-week highs. Caveat: the 2 week range is very narrow (6.15-6.20).



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